GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Industries & Commerce - Proposal of APIIC to raise loan for Rs. 7,500 Crores, over a period of next 9-12 months, towards Land Acquisition, Infrastructure Development and Upgradation of identified major industrial clusters and industrial parks across the State, duly involving SBICAPS and similar agencies as Transaction Advisors - Approved - Orders - Issued.

Industries & Commerce (Infra) Department

G.O.MS.No. 146 Dated: 07-08-2025

Read the following:

1. From the VC&MD,APIIC e-office file no. APIIC-11/1/2025-FIN SEC- APIICAPIIC-11/1/2025-FIN SEC-APIIC, (C.No.2738087), dt.04.03.2025
2. Govt. letter no.2738087/Infra/A2/2025, dt.14/03/2025
3. From the APIIC, e-office File No. APIIC-11047/1/2025-FIN SEC-APIIC (Computer No. 2926265), dt.04.08.2025

ORDER:

The Andhra Pradesh Industrial Infrastructure Corporation Ltd., (APIIC or the Corporation) was established on September 26, 1973, as a wholly owned undertaking of the Government of Andhra Pradesh (GoAP). Its primary mandate is to accelerate industrial growth within the State by developing and providing land for industrial activity and development of associated industrial infrastructure across Andhra Pradesh. APIIC has, so far, developed more than 550 industrial parks spread over an extent of 1,30,000 acres. The Corporation is the dedicated State Implementation Agency for developing sector-focused industrial parks like Special Economic Zones (SEZ), Food Parks, Electronics Manufacturing Clusters (EMC), IT Incubation centers, apparel parks, leather parks etc.

2. APIIC has established a strong framework for industrial development, with an existing land bank of more than 13,000 acres of ready-to-develop land. Furthermore, approximately 30,000 acres have been earmarked for acquisition to facilitate the development of upcoming industrial parks. Further, APIIC is simultaneously

working towards infrastructure development and upgradation in various identified greenfield and brownfield industrial clusters cum parks spread throughout the state of Andhra Pradesh.

3. In the reference 1st read above, the VC&MD, APIIC has stated that APIIC plans to develop industrial clusters across the state but faces financial constraints in land acquisition and infrastructure development, necessitating funding. To meet these needs, APIIC proposes raising loans from banks and financial institutions, with repayments covered through monetization of developed land. To facilitate this,APIIC intends to appoint a Transaction Advisor to manage the loan process, with SBI Capital Markets (SBICAPS) offering its services for debt syndication.

4. In the reference 2nd read above, Government accorded permission to APIIC to appoint SBI CAPS as Transaction Advisor for raising of funds as per the fees quoted by the firm. In compliance with these directions, the APIIC has issued work order to SBI Caps appointing them as transaction advisors with a debt syndication fee of 0.20% of debt arranged plus applicable taxes.

5. In the reference 3rd read above, the VC&MD, APIIC has stated that to e· ectively manage and execute the three identified cluster development projects viz Orvakal, Kopparthy, and Pamuru and other identified 14 such potential industrial clusters, it has been requested to approve the proposal to raise loan for Rs. 7,500 Crores, over a period of next 9-12 months, towards Land Acquisition, Infrastructure Development and Upgradation of identified major industrial clusters and industrial parks across the State, duly involving SBICAPS and similar agencies as Transaction Advisors and taking necessary associated actions. It has been submitted that the repayments will be made through the monetization of developed land via allotments to prospective industries.

6. The VC&MD, APIIC has further stated that funds raised from Banks/Financial Institutions will be deployed for land acquisition and infrastructure development across key industrial clusters. The scope includes construction of internal and external roads, water and power supply systems, storm water drains, wastewater management including CETPs, and other essential infrastructure such as site levelling and fire safety systems. These investments aim to significantly boost the operational and financial

efficiency of the SPV, resulting in higher returns and increased shareholder value. Furthermore, the initiative is expected to catalyze employment opportunities, strengthen infrastructure, and support the economic development of Andhra Pradesh.

7. Government after careful examination of the matter, hereby accord approve the proposal of APIIC to raise loan for Rs. 7,500 Crores, over a period of next 9-12 months, towards Land Acquisition, Infrastructure Development and Upgradation of identified major industrial clusters and industrial parks across the State, duly involving SBICAPS and similar agencies as Transaction Advisors and taking necessary associated actions such as :

a) Creation of the SPV with its registered office at 10th Floor, APIIC Towers, IT Park, Mangalagiri, with an authorized Share Capital of Rs.1,00,00,000/- (Rupees One Crore Only) and Paid-up Share Capital of Rs.1,00,000/- (Rupees One Lakh only), with the provision that authorized paid up capital and share capital may be increased by the Board of SPV from time-to-time based on the requirements. The Board of Directors for the SPV will be proposed and approved by the Department. It is informed that any shortage of equity will be infused by APIIC.

b) Authorization to APIIC to raise Rs.7,500 crores in debt from Banks/Financial Institutions and delegation of power to Board of Directorsto approve the term-sheet in the best interest of the State and the SPV and APIIC.

c) Approval to APIIC to transfer lands in these identified Industrial Clusters and Industrial Parks to the SPV, as per prevailing SRO rates as basis for undeveloped lands & at market rate/SRO basis for lands for developed/semi developed lands, as on the date of transfer and transfer of value of infra costs incurred till date as equity infusion into the SPV, duly exempting the Stamp Duty and Registration Fees, applicable thereon.

d) The allotments of lands in these identified Industrial Clusters and Industrial Parks to be made as per the prevailing APIIC Allotment Regulations and for any allotments done by APIIC on such lands in the past or are in process, the financial proceeds from such transactions

accrued or accruing to APIIC will be transferred in favour of the SPV henceforth.

e) APIIC to negotiate with the Banks/Financial Institutions on matters such as security to the lenders, hypothecation, mortgage of lands, etc, in the best interest of the State, duly taking remarks from the Finance Department

8. The VC&MD, APIIC shall take necessary action accordingly, in the matter.

9. This order issues with the concurrence of the Finance (FMU-I&C) Department vide U.O.No. FIN01-FMU0ASD(IC)/12/2025-FMU-IC-IIE (Computer No.2919410), dt.05.08.2025

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

N. YUVARAJ
SECRETARY TO GOVERNMENT

To
The VC&MD, APIIC,Mangalagiri
Copy to:
The Direct of Industries, AP, Mangalagiri
The OSD to Hon'ble Chief Minister
The OSD to Hon'ble Minister (I&C)
The PS to Principal Finance Secretary to Government
The PS to Secretary to Government (I&C)
The GA (Cabinet) Department (w.r.t U.O.No.335/2025, dt.06.08.2025)
The Finance (FMU) Department, AP Secretariat
Sf/Sc (2927275)

//FORWARDED::BY ORDER//

SECTION OFFICER